

We claim:

1. A method of utilizing computers for rewarding customer loyalty within a merchant membership system comprising the steps of:

- (A) enrolling individual members;
- 5 (B) providing said members with microprocessor-embedded smart cards capable of maintaining point balances;
- (C) enrolling merchants, said merchants being providers of goods or services to said members;
- (D) providing said merchants with point of sale computer terminals capable of interacting with said smart cards;
- (E) providing a loyalty bank computer server in communication with said point of sale computer terminals such that information can be processed between said loyalty bank computer server and said smart cards;
- (F) providing software for said loyalty bank computer server such that said smart cards of said members are credited with points whenever a non-points purchase of goods or services is made and such that said smart cards of said members are debited whenever goods or services are purchased by redeeming said points, through a loyalty club database maintained within said loyalty bank computer server.

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20 2. The method of claim 1, further comprising the steps of:

- (G) providing memory means through software in said point of sale computer terminals to record and store member transactions;

(H) providing automatic communication means in said point of sale computer terminals to contact said loyalty bank computer server to transfer said recorded and stored member transactions.

5 3. The method of claim 1, further comprising the steps of:

(I) providing a web server to provide account and information services to said members and said merchants via secure web pages.

4. The method of claim 2, further comprising the steps of:

(I) providing a web server to provide account and information services to said members and said merchants via secure web pages.

5. The method of claim 1, further comprising the steps of:

(J) providing transaction handler software for said loyalty bank computer server to communicate with said point of sale computer terminals.

6. The method of claim 1, further comprising the steps of:

(K) providing member account services software for said loyalty bank computer server to verify information contained on said smart cards.

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7. The method of claim 6, further comprising the steps of:

(K) providing member account services software for said loyalty bank computer server to verify information contained on said smart cards.

8. The method of claim 1, further comprising the steps of:
(L) providing merchant services software for said loyalty bank computer server to verify merchant information.

5 9. The method of claim 7, further comprising the steps of:
(L) providing merchant services software for said loyalty bank computer server to verify merchant information.

10. The method of claim 1, further comprising the steps of:
(M) providing management services software for said loyalty bank computer server to process new member, new merchant and other system accounting.

11. The method of claim 9, further comprising the steps of:
(M) providing management services software for said loyalty bank computer server to process new member, new merchant and other system accounting.

12. A system for rewarding customer loyalty within a merchant membership system comprising in combination and in operative communication:
(A) computer means for enrolling individual members;
(B) microprocessor-embedded smart cards capable of maintaining point balances;
(C) computer means for enrolling merchants, said merchants being providers of goods or services to said members;
(D) point of sale computer terminals capable of interacting with said smart cards;

5 (E) a loyalty bank computer server in communication with said point of sale computer terminals such that information can be processed between said loyalty bank computer server and said smart cards;

10 (F) software for said loyalty bank computer server such that said smart cards of said members are credited with points whenever a non-points purchase of goods or services is made and such that said smart cards of said members are debited whenever goods or services are purchased by redeeming said points, through a loyalty club database maintained within said loyalty bank computer server.

15 13. The system of claim 12, further comprising:

(G) software memory means in said point of sale computer terminals to record and store member transactions;

(H) automatic communication means in said point of sale computer terminals to contact said loyalty bank computer server to transfer said recorded and stored member transactions.

20 14. The system of claim 12, further comprising:

(I) a web server to provide account and information services to said members and said merchants via secure web pages.

15. The system of claim 12, further comprising:

(J) transaction handler software for said loyalty bank computer server to communicate with said point of sale computer terminals.

16. The system of claim 12, further comprising:

(K) member account services software for said loyalty bankcomputer server to verify information contained on said smart cards.

5 17. The system of claim 12, further comprising:

(L) merchant services software for said loyalty bank computer server to verify merchant information.

18. The system of claim 12, further comprising:

(M) management services software for said loyalty bank computer server to process new member, new merchant and other system accounting.

19. The system of claim 12, further comprising:

(G) software memory means in said point of sale computer terminals to record and store member transactions;

(H) automatic communication means in said point of sale computer terminals to contact said loyalty bank computer server to transfer said recorded and stored member transactions;

(I) a web server to provide account and information services to said members and said merchants via secure web pages;

20 (J) transaction handler software for said loyalty bank computer server to communicate with said point of sale computer terminals;

(K) member account services software for said loyalty bankcomputer server to verify information contained on said smart cards;

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(L) merchant services software for said loyalty bank computer server to verify merchant information;

(M) management services software for said loyalty bank computer server to process new member, new merchant and other system accounting.

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20. A method of utilizing computers for rewarding customer loyalty within a merchant membership system comprising the steps of:

(A) enrolling individual members by inputting information into management services software embedded within a loyalty bank computer server;

(B) providing said members with microprocessor-embedded smart cards capable of maintaining point balances inputted thereon through computer software;

(C) enrolling merchants by inputting information into management services software embedded within a loyalty bank computer server, said merchants being providers of goods or services to said members;

(D) providing said merchants with point of sale computer terminals capable of interacting with said smart cards through software;

(E) providing a loyalty bank computer server in communication with said point of sale computer terminals such that information can be processed between said loyalty bank computer server and said smart cards, providing management services software for said loyalty bank computer server to process new member, new merchant and other system accounting, said management services software being embedded within said loyalty bank computer server;

5 (F) providing software for said loyalty bank computer server such that said smart cards of said members are credited with points whenever a non-points purchase of goods or services is made and such that said smart cards of said members are debited whenever goods or services are purchased by redeeming said points, through a loyalty club database maintained within said loyalty bank computer server, and crediting and debiting said smart cards when such purchases occur;

10 (G) providing memory means through software in said point of sale computer terminals to record and store member transactions, and recording and storing said transactions when such occur;

15 (H) providing automatic communication means in said point of sale computer terminals to contact said loyalty bank computer server to transfer said recorded and stored member transactions, and contacting said loyalty bank computer server to transfer said transactions;

(I) providing a web server to provide account and information services to said members and said merchants via secure web pages, and providing said account and information services when requested;

20 (J) providing transaction handler software for said loyalty bank computer server to communicate with said point of sale computer terminals, and communicating with said point of sale computer terminals as required;

(K) providing member account services software for said loyalty bank computer server to verify information contained on said smart cards, and verifying such information as required;

(L) providing merchant services software for said loyalty bank computer server to verify merchant information, and verifying such merchant information as required.